Government of India has a monitoring mechanism for externally aided project. Projects are checked against readiness indictors before they are launched. During implementation, the projects are monitored through joint review meetings periodically. State level portfolio reviews and site visits are also undertaken from time to time.

**Development bank for the unorganised sector**

1063. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has recently agreed to set up a development bank or a fund for the unorganised sector;

(b) if so, whether Government has recently announced that the recommendations of the National Commission on Enterprises in the unorganised sector would be implemented; and

(c) if so, to what extent the creation of a fund for the unorganised sector is likely to benefit small and medium industries in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The Committee on National Commission on Enterprises in the Unorganised Sector had recommended, among others, to create a National Fund for the Unorganised Sector (NAFUS).

In a meeting held under the Chairmanship of Finance Secretary, it was decided to create a separate window under SIDBI with an earmarked corpus for providing financial support to micro enterprises. In addition, the Finance Minister has provided a fund of Rs. 4000 crore for refinancing lending to micro and small enterprises by banks and State Financial Corporations (SFCs) for the financial year 2009-10. However, as informed by Ministry of Micro, Small and Medium Enterprises, a proposal for creation of a fund of Rs. 1000 crore for financing of micro enterprises in the unorganized sector is under their consideration.

**Recapitalization of nationalized banks**

1064. SHRI NANDAMURI HARIKRISHNA:
SHRI M.V. MYSURA REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that his Ministry approached the World Bank for loans to the tune of Rs. 16,000 crores to recapitalize about 18 banks in the country;

(b) if so, the details of the banks that are proposed to be recapitalized; and

(c) the details of norms followed in selecting nationalized banks for recapitalization?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) To enable the public sector banks (PSBs) to meet credit requirements of the

economy while maintaining a healthy and comfortable level of regulatory Capital to Risk-weighted Assets Ratio, Government has proposed to provide capital funds to these banks through World Bank assistance. However, the details in this regard including the exact amount of capital to be provided to the PSBs have not been finalised.

**Special insurance scheme for swine flu**

†1065. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) whether insurance companies are contemplating a special insurance scheme for swine flu;

(b) whether it is a fact that some foreign insurance companies are trying to insure people suffering from this disease on the pretext of swine flu; and

(c) if so, whether the foreign insurance companies specially American companies have been allowed to do insurance business in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. However, the existing health insurance policies such as Mediclaim Policy or the Overseas Mediclaim Policy do not exclude hospitalization due to swine flu.

(b) and (c) As per the provisions of Insurance Act 1938 and IRDA Act 1999, no foreign insurance Company is allowed to insure people in India; only Indian Insurance Companies which are licensed and registered with IRDA are permitted to transact insurance business in India.

**Infusion of money into the banking system**

†1066. SHRI SHIVANAND TIWARI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in order to offset the effect of global economic recession on Indian economy, Government has through the Reserve Bank of India, infused money into the Indian banking system in three installments;

(b) if so, the details thereof; and

(c) the amount of extra provision for the use of banking system from October, 2008 to June, 2009?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) With a view to mitigate the impact of the global economic recession on the Indian economy, the Reserve Bank of India (RBI) initiated measures, which included reduction in the Cash Reserve Ratio (CRR) from 9 per cent of Net Demand and Time Liabilities (NDTL) to

†Original notice of the question was received in Hindi.